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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/863,010
Filing Date: May 23, 2001
Appellant(s): WHITEHEAD, CLAY T.

Alan M. Kagen
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 01/03/2006 appealing from the Office action mailed 8/16/2005.

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(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

No evidence is relied upon by the examiner in the rejection of the claims under appeal.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims: The ground(s) for rejection are reproduced below from the Final Office Action, paper # 9, and are provided here for the convenience of both the Appellant and the Board of Patent Appeals:

Quote:

Response to Arguments

2. Applicant's arguments filed 5/31/2005, see Remarks, pages 4-5 concerning claim 1 have been fully considered but they are not persuasive. The applicant argues that his invention is not a seller driven, like Herz and therefore Herz's invention is not the relevant prior art. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., that his invention is not a seller driven and Herz's invention is a seller driven) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims and instead the examiner considers the broadest possible interpretation. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

The applicant further argues that Herz does not even remotely appreciate a potential application where one or more of offers [suitable to the shoppers] is automatically accepted and instead in each instance the shopper must make a decision to accept an offer. The examiner respectfully disagrees. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., that claim 1 teaches automatically accepting the best suitable offer with no shopper's intervention) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims and instead the examiner considers the broadest possible interpretation. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Claim 1, as best interpreted by the examiner,

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teaches a method identifying relevant items based upon the user's profile and if those items are the best choice based upon the user's profile they are communicated to the user but does not recite that those items are automatically accepted by the user. Herz does teach teaches a method identifying relevant items based upon the user's profile and if those items are the best choice based upon the user's profile they are communicated to the user (see paragraph 0024:

" The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. The present system for the automatic determination of customized prices and promotions 100 concerns functions (1) and (2).".

Note: The automatic determination of customized prices and promotions, that is specific to each shopper based upon his profile and then making him aware of the same correspond to the claimed limitations of a method identifying relevant items based upon the user's profile and if those items are the best choice based upon the user's profile they are communicated to the user.

In view of the foregoing, rejection of claim 1 and its dependencies is sustainable.

This is a Final Action.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-5, 7-9, 12, 14-16 and 18-22 are rejected under 35 U.S.C. 102(e) as being anticipated by Herz et al. (US Publication 20010014868), hereinafter referred to Herz.

Regarding claim 1, Herz teaches a method for administering consumer items over a global network, the method comprising:

(a) compiling a user profile relating to desired consumer items (see at least paragraph 002, "..... *The system automatically constructs and updates profiles of a plurality of shoppers based on their demographics and their history of shopping behavior, which history includes both their purchases and their requests for, or reactions to, product information*.....".

(b) accessing a database of items available from product and service providers and identifying relevant items according to user profile (see at least paragraph 0024, " *The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. The present system for the automatic determination of customized prices and promotions 100 concerns functions (1) and (2). In order to carry these functions out, the main computer 101 has access to databases of information about possible offers (offer database 122),* ". Note: The offer database 122 corresponds to the claimed database in the applicant's claim.);

(c) if the user profile incorporates an automatic best choice service, automatically implementing the relevant items, and communicating the implemented relevant items to the user and (d) if the user profile does not incorporate the automatic best choices service, communicating the relevant items to the

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user, and enabling the user to selectively implement the relevant items (see at least paragraphs 004, *The system automatically constructs product offers tailored to individual shoppers, or types of shoppers, in a way that attempts to maximize the vendor's profits. These offers are typically represented to the shoppers in digital form. They are communicated or to an on-line computer shopping system that directly makes such offers to shoppers. The shoppers can be in the market for any type of product or service, including but not limited to: retail products, financial services, professional services, and the like.* " and 0024, " *The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. In order to carry these functions out, the main computer 101 has access to databases of information about possible offers (offer database 122), " . Note: Informing the shopper automatically of the best offers based upon his profile and the offers stored in a database reads upon the recited limitation. If condition in (c) is satisfied then condition in (d) does not exist. See also paragraphs 0005, 0010 and 0246. Paragraph 0246 discloses that even if the offers database does not include the automatic best choice requirement for the user the system communicates a single best possible offer for Crest tooth paste for the user's selection [Note: Crest tooth paste is not part of the user's preferred choices.);*

Regarding claims 2-3, Herz discloses that the step (a) in claim is practiced by monitoring a pattern of consumer's item use or user-entered parameters (see at least paragraph 005, " *Largely by tracking the behavior of shoppers, the system accumulates extensive profiles of the shoppers and the offers that they consider. The tracking can comprise a number of sources of data to thereby utilize multiple attribute clustering to provide a more powerful analysis capability. As explained in the U.S. Pat. No. 5,758,257, shoppers can be profiled in terms of both their demographic characteristics (age, income, family structure, ethnicity, and the like) and their past shopping behavior (products purchased, length of time since last purchase, allocation of browsing time, attention span, price sensitivity, interest in detailed features, impulse buys, use of coupons, and the like). Offers can be profiled as well. the shoppers who tend to buy the product, other products frequently bought on the same shopping trip, the sales pitch, the price and terms of payment, any discounts provided, and the relative attributes of competing offers. " . Note: Tracking shopper's purchasing behaviors and the products purchased by them, etc. reads on the limitations of claims 2-3.*

Regarding claim 4, Herz discloses periodically repeating steps (b)-(d) (see at least paragraphs 0300-0301, ".....*By decomposing purchase patterns for various product groups across different frequency ranges, we can learn more about seasonal buying behavior. It may turn out that a certain group of shoppers receives their paychecks exactly once a month. This group would clearly be a target for impulse purchases or slightly more expensive items, as they have more cash to spend at that time..... Time series methods are also useful for detecting trends; one could do a linear regression on sales for a certain product over time, determining the overall direction of a product's sales. This information could be used to adjust offer-generating strategies, as it would indicate a waxing or waning of a customers overall interest in a given product.* " . Note: Contemplating to target shoppers every month when they get their paychecks corresponds to periodically repeating steps (b)-(d) of claim 1.

Regarding claim 5, Herz teaches that the relevant items are identified based on a lowest cost consistent with the user profile (see at least paragraph 0036, " *Determine Shopper's Goals--Optionally, the shopper may indicate a particular type of offer in which he or she is interested--for example, large-sized, mail-order dress shirts costing under \$30. ... " , and paragraph 0005, " As explained in the U.S. Pat. No. 5,758,257, shoppers can be profiled in terms of both their demographic characteristicsand their past shopping behavior (products purchased, length of time since last purchase, allocation of browsing time, attention span, price sensitivity, ").*

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Regarding claim 7, Herz discloses communicating with users via e-mail (see at least paragraphs 0051, " Any of the transactions between the main computer and a shopper or shopper's terminal might instead be handled through other means of communication, such as conventional mail, **electronic mail**, telephone, and conventional payment systems. ").

Regarding claims 8 and 9, Herz teaches that the consumer items comprise subscription services (see at least paragraph 0136, " list of on-line newspapers and magazines subscribed to by shopper (associative) ") and practicing on a one-time basis to effect a purchase of a particular product (see at least paragraph 0005, " The system can then select, present, price, and promote goods and services in ways that are tailored to an individual consumer. detailed product information screens can be subtly rearranged, lengthened, or shortened from one type of shopper to the next. Furthermore, when a product can be tailored to a particular shopper, a general technique or expert system can offer each consumer an appropriately customized product. ").

Regarding claim 12, the step of identifying related items available at a low incremental cost separately and communicating identified related items to the user is already analyzed in claims 1 and 5 above. As regards identifying and relating combinations, see paragraphs 0247-0250, " Joint Promotions The same profiling approach described above can be used to select joint promotions. The basic method is to observe what items are bought by similar customers. For example, purchasers of beer at convenience stores are observed to also tend to purchase chips, pretzels and (less obviously) baby diapers. Such correlations can be noted from users' on-line purchase histories and used to generate joint promotions ("buy a new set of skis and get a free lift ticket at a ski resort") known as data mining. Similarity may be used as a criteria for integrating two or more products into a single promotional offer.Also, she really likes getting discounts, and she likes buying in large sizes. Then the system should try to find two large-size products that can be discounted and pitched as healthy, and bundle them together. For example, it might tell her that if she buys a family-size tube of plaque-fighting Crest at 10% off AND a set of three at 10% off, then she'll get an extra dollar off. ". Note: Joint promotions are directed to combination of related items).

Regarding claims 14-16, 18-22, their limitations are closely parallel to the limitations of claims 1-5, and 7-9 and are therefore, analyzed and rejected on the same basis. ".

Unquote:

(10) Response to Argument

The applicant argues, see pages 12-13 of the Appeal brief, that the reference Herz does not disclose or suggest step (c) of claim 1, step (d) of claim 14 and the related subject matter defined in claims 21 and 22 because Herz being a seller driven system it could in no way incorporate an automatic best choice service. The examiner respectfully disagrees because Herz does anticipate or suggest the step (c) of claim 1,

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step (d) of claim 14 and the related subject matter defined in claims 21 and 22, as analyzed below.

Herz teaches the steps (a) and (b) of claim 1 as follows:

(a) compiling a user profile relating to desired consumer items (see at least paragraph 002, “.....*The system automatically constructs and updates profiles of a plurality of shoppers based on ... their history of shopping behavior, which history includes both their purchases and their requests for, or reactions to, product information.....*” ,

(b) accessing a database of items available from product and service providers and identifying relevant items according to user profile (see at least paragraph 0024, “*The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. The present system for the automatic determination of customized prices and promotions 100 concerns functions (1) and (2). In order to carry these functions out, the main computer 101 has access to databases of information about possible offers (offer database 122),*” . Note: The offer database 122 corresponds to the claimed database in the applicant's claim and the system accesses this database to identify relevant items, such as customized prices and promotions that are appropriate for an user according to his stored data/profile.);

Step C of claim1 reads, “if the user profile incorporates an automatic best choice service, automatically implementing the relevant items, and communicating the implemented relevant items to the user”. This is a conditional statement implying that the user profile may or may not incorporate a best choice and if the best choice is not

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there in the profile then step © claim is not relevant. It is expressly clear from paragraph 0024 in Herz that the system accesses shopper's database which stores shopper's profiles related to shopper's history and the offer database 122 which stores information about shoppers who have accepted promotional offer. The stored information related to shopper's having accepted a promotional offer reads on the claim limitation that the user profile incorporates an automatic best choice service, and then the system in Herz identifies such offers from the database and informs the shopper about the availability of such offers which resulting in electronic ordering reads on the limitation that is automatically implementing the relevant items, and communicating the implemented relevant items to the user.

The applicant's argument that since Herz system is a seller driven it cannot automatically implement the best choice for the buyer has got no bearing on the limitations cited in the step c of claim 1 or step (d) of claim 14 and related subject matter defined in claims 21 and 22 and therefore claims 1, 14, 21 and 22 are anticipated by the Herz's disclosure. Therefore, the examiner reiterates the fact that In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., his invention is not seller driven and that a seller driven system in no way can incorporate an automatic best choice service) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

The applicant further argues (see AB, page 13, second paragraph) that the limitation in claim 1, " if the user profile incorporates an automatic best choice service, automatically implementing the relevant items, and communicating the implemented relevant items to the user" implies that the best offer(s) for that particular user is automatically accepted and Herz may not even identify the offer that would be automatically accepted with the automatic best choice service and instead the shopper must make a decision to accept an offer . The examiner disagrees. As argued in the Final rejection mailed on 8/16/2005 claim 1 does not teach automatically accepting the best offer. Claim 1 is a method claim reciting the manipulative steps of compiling a user profile, accessing a database of items, automatically implementing the relevant items to the user if the user profile incorporates an automatic best choice service and communicating the relevant items if the user profile does not incorporate an automatic best choice service. None of these steps expressly recite a function involving an automatically accepting a best offer by the user. The steps (c)and (d) recite implementing relevant items or communicating relevant items but nowhere they recite the step of automatically accepting the offer if the relevant items include offers. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., that claim 1 teaches automatically accepting the best suitable offer with no shopper's intervention) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims and instead the examiner considers the broadest possible interpretation. See *In re Van*

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Geuns, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Claim 1, as best interpreted by the examiner, teaches a method identifying relevant items based upon the user's profile and if those items are the best choice based upon the user's profile they are communicated to the user but does not recite that those items are automatically accepted by the user. Herz does teach teaches a method identifying relevant items based upon the user's profile and if those items are the best choice based upon the user's profile they are communicated to the user (see paragraph 0024:

" The primary functions of the system for the automatic determination of customized prices and promotions 100 are (1) to identify offers that are appropriate for each shopper, (2) to help the shopper become informed about these available offers, and (3) to facilitate any or all of the necessary transactions, such as electronic ordering or payment, if the shopper decides to accept an offer. The present system for the automatic determination of customized prices and promotions 100 concerns functions (1) and (2). "

Note: The automatic determination of customized prices and promotions, that is specific to each shopper based upon his profile and then making him aware of the same correspond to the claimed limitations of a method identifying relevant items based upon the user's profile and if those items are the best choice based upon the user's profile they are communicated to the user.

In view of the foregoing rejection of claim 1 and for the same reasons rejection of other independent claims 14, 21 and 22 are sustainable.

The applicant argues (see page 14) concerning claim 3 that Herz does not suggest or teach the limitation of claim 3, that is " A method according to claim 1,

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wherein step (a) is practiced according to user-entered parameters” because tracking does not in any manner meet the feature of the invention where a user profile is compiled according to user-entered parameters. The examiner respectfully disagrees.

In Herz’s system, the shoppers (see at least Fig.1 and paragraphs 0021-0024 are communicating with the Herz’s system via their computer terminals and a communication network, either wireless or land-line. The shopper’s [user(s)] profiles are made and stored by tracking the shopper’s purchases via these computer terminals and the data that is entered by the shopper/user is then used to make and store the shopper’s profile. Also see, paragraph 005, “ *Largely by tracking the behavior of shoppers, the system accumulates extensive profiles of the shoppers and the offers that they consider. The tracking can comprise a number of sources of data to thereby utilize multiple attribute clustering to provide a more powerful analysis capability. As explained in the U.S. Pat. No. 5,758,257, shoppers can be profiled in terms of both their demographic characteristics (age, income, family structure, ethnicity, and the like) and their past shopping behavior (products purchased, length of time since last purchase, allocation of browsing time, attention span, price sensitivity, interest in detailed features, impulse buys, use of coupons, and the like). Offers can be profiled as well. the shoppers who tend to buy the product, other products frequently bought on the same shopping trip, the sales pitch, the price and terms of payment, any discounts provided, and the relative attributes of competing offers.* ”.

Note: Tracking shopper’s purchasing behaviors and the products purchased by them via computer terminals and communication network corresponds to using user’s entered parameters in comprising their profiles.

The applicant argues (see page 14) concerning claim 4 that Herz does not suggest or teach the limitation of claim 4, that is “ A method according to claim1, further

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comprising periodically repeating steps (b)-(d) because Herz's system is a seller driven system. The examiner respectfully disagrees. First, the argument that Herz's is a seller driven system is not relevant because it is not recited in the claims, as analyzed above, and it no way affects the periodically repeating of the steps(b)-(d) as recited in claim 1 and also in claims 14, 21 and 22. Secondly, Herz does suggest periodically repeating steps b-d, see at least paragraphs 0300-0301, *".....By decomposing purchase patterns for various product groups across different frequency ranges, we can learn more about seasonal buying behavior. It may turn out that a certain group of shoppers receives their paychecks exactly once a month. This group would clearly be a target for impulse purchases or slightly more expensive items, as they have more cash to spend at that time.....Time series methods are also useful for detecting trends; one could do a linear regression on sales for a certain product over time, determining the overall direction of a product's sales. This information could be used to adjust offer-generating strategies, as it would indicate a waxing or waning of a customers overall interest in a given product."*

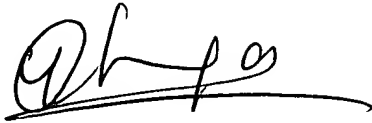
Note: Contemplating to target shoppers every month when they get their paychecks suggest periodically repeating steps (b)-(d) of claim 1.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

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Respectfully submitted,
Yogesh C. Garg
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